



Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

Sent via Email to: regs.comments@federalreserv.gov

RE: Docket No. R- 1390, Regulation Z; Truth in Lending

Dear Ms. Johnson,

I am the President/CEO of Big Spring Community FCU. We currently have \$17.3 million in assets with 2387 members and we are located in Big Spring TX. I am writing today to voice my concerns with the Proposed Changes to Credit Insurance Disclosures under Regulation Z and the Truth-in-Lending Act.

We are very supportive of fair, accurate, and appropriate disclosures that need to be provided to the membership but we are not in favor of disclosures that overly reflect a negative, inaccurate, unclear and/or vague light on the credit insurance products we offer to our members.

Let me give you an example of what happened to one of our members a few years ago. This member purchased a new vehicle; he chose to add credit life insurance to his loan. Unfortunately a few weeks later this man had a fatal accident. Because he chose to purchase the insurance, his family did not have the burden of paying off this vehicle the insurance covered it.

At another credit union I worked at, we had a member that chose to place credit life and credit disability on his loans. He ended up with some medical problems that caused him to go onto full disability. Because he purchased the disability insurance, the insurance company ended up paying off both of his loans that totaled approximately \$35,000 to \$45,000. So with his salary being reduced dramatically he was able to keep his vehicles and live comfortably without worrying about how he was going to make the payments.

Throughout my 21 years in the credit union industry I have seen other such instances where this insurance has benefited family members of those that were taken unexpectedly or were disabled. They were very appreciative of the fact that the insurance was available and that we were here to help with processing of the claim forms.

Please understand that we always give the member the choice in whether they take the insurance or not. They are **not required nor are they bullied** into taking the insurance. When they ask why they would possibly need it, we ask questions of their financial condition and how they would like to leave their family and use analogies like this. If you are the major income provider for your family and have a house and a vehicle or two, will your life insurance policy be enough to payoff these necessities and still give your family money they need to live on for the years to come? Especially if you still have small children at home or in college. Will you or your spouse be able to comfortably pay the bills and provide for the family with one paycheck?



We currently make sure that the members understand how much the insurance will cost them over the life of the note and how much it affects their payments. The insurance disclosure forms that we currently use are explained and the costs are highly visible to the members (right above the signature line). The new proposed disclosure could really discourage those that have minimal life insurance from paying a little extra for credit insurance that could potentially help their families a great deal. Especially in today's market, vehicles are costing more and a \$50,000 whole life insurance policy could be completely wiped out with one loan.

In today's economy, people are living paycheck to paycheck and purchasing a life insurance policy is not a priority on most families list of items needed. If the employer does not provide the life insurance, the member does not have it. So having credit insurance available and cast in a positive light instead of a negative light could help the families by encouraging the extra insurance and give them the ability to pay for the insurance on a monthly basis for a shorter period of time (5 years or less) and at a reduced cost in the event a major catastrophe happens to one or more of the income providers.

Before the Federal Reserve makes its final decision on this proposed disclosure, please consider the millions of people that are not able to pay for additional life insurance but may choose to consider credit insurance as part of their loan in order to protect their families from unexpected events.

Sincerely,

Tamera Barber
President/CEO
Big Spring Community FCU